

HALL, ESTILL, HARDWICK, GABLE, GOLDEN & NELSON

A PROFESSIONAL CORPORATION

1120 20TH STREET, N.W.
SUITE 700, NORTH BUILDING
WASHINGTON, D.C.
20036-3406

Telephone (202) 973-1200

November 22, 2002 Fax (202) 973-1212

Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Audrey P. Rasmussen
(202) 973-1210
arasmussen@hallestill.com

Re: WebLink Wireless, Inc., *Ex Parte*: CC Docket No. 96-45

Dear Ms. Dortch:

On November 19, 2002, the Coalition for Sustainable Universal Service ("CoSUS") stated in an *ex parte* correspondence to the FCC "that the current revenues-based Universal Service Fund contribution mechanism is broken, cannot be fixed, and should be replaced with a connection-based contribution mechanism."¹ It further suggested an increase in the wireless safe harbor to 40% of a carrier's total end-user telecommunications revenues.

WebLink Wireless, Inc. ("WebLink"), a wireless paging/messaging company and leader in the wireless data industry,² opposes the connection-based contribution Universal Service Fund ("USF") mechanism as inequitable and discriminatory; favors the retention of the revenues-based USF assessment methodology; and submits that the 12% safe harbor now applicable to paging companies remains an accurate assessment of interstate calling percentages on paging networks and should not be changed.

The 12% paging safe harbor adopted by the Commission in 1998 was based on revenue estimates previously reported by paging carriers.³ Since that time, there have been no challenges

¹ CoSUS *Ex Parte* at 1.

² The Dallas-based company provides two-way wireless messaging, wireless email, mobile Internet information, customized wireless business solutions, telemetry, and paging to business and retail customers. WebLink is the wireless data network provider for many of the largest telecommunication companies in the U.S. who resell under their own brand names. WebLink's multicast network covers approximately 90 percent of the U.S. population and, through roaming agreements, extends throughout much of North America.

³ Federal-State Joint Board of Universal Service, *Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, 13 FCC Rcd 21252 at ¶13 (1998).

to this percentage as being inaccurate. Further, paging carriers do not offer long distance services, do not bundle their service with any other offerings and have not seen interstate paging revenues rise. In fact, it is important to emphasize here that paging revenues in general have fallen. As the FCC noted in its *Annual Report*,⁴ the subscribership and revenues in the paging/messaging industry have *continued* to decline.⁴ Thus, there have been no developments in the paging industry which would trigger an increased safe harbor. The safe harbor percentage should not change.

Further, the connection-based proposals which have been advocated in this proceeding would increase paging carriers' USF assessments unjustly and discriminatorily. The *Further Notice of Proposed Rulemaking* in this proceeding proposes that one-way paging contribute at a rate of \$0.25 per pager.⁵ SBC and Bell South have even proposed assessing each paging connection at a \$0.50 rate. Under the existing revenue-based system, paging carriers pay an average of \$0.07 per pager. \$0.25 would be a 300% increase. The proposed increase is unjustified since there are great disparities between paging and other service providers. One of the chief differences is the amount of time consumed by the connection on the public switched telephone network ("PSTN"), which provides far greater benefits to non-paging carriers.⁶ Paging networks are designed only to accommodate short bursts of data (which are transmitted via satellite after the connection with the wireless network has terminated.) The transmission of a 90-character message generally takes only 300 milliseconds of airtime on a one-way paging network and only 152 milliseconds of airtime on a two-way paging network. This is contrasted with the much longer holding times typical of voice traffic. Further disparities include: revenues generated from the connection by paging carriers versus other PSTN users;⁷ and the bundling of several services into one connection, which paging carriers do not offer.

The Commission must consider the tenuous state of the paging industry and anticipate any unintended consequences which could arise from its USF decision. As noted above, paging revenues continue to decline. Although the proposed USF assessment may be passed through to the end user, paging has become so competitive that any movement on price could cause customer churn to other carrier providers, such as broadband and short message service providers. Thus, paging providers could either make the payments themselves to satisfy their customers or pass these costs on, at the risk of losing more customers and more revenue.

⁴ *Annual Report and Analyses of Competitive Market Conditions With Respect to Commercial Mobile Services*, 17 FCC Rcd 12985, 13049-13050 (2002) ("Seventh Report").

⁵ Federal Joint State Board on Universal Service, *et al.*, *Further Notice of Proposed Rulemaking and Report and Order*, 17 FCC Rcd 3752 (2002) ("Further Notice" or "FNPRM").

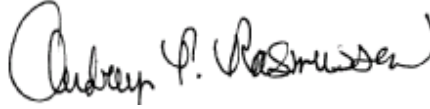
⁶ See Commission discussion on these benefits, *FNPRM* at ¶43

⁷ *In re Implementation of Section 6006(b) of the Omnibus Reconciliation Act of 1993, Annual Report and Analysis of Competition Market Conditions With Respect to Commercial Mobile Services*, 15 FCC Rcd 17660, 17774 (2000) ("Fifth Report"), the FCC reported that paging carriers' average revenue per unit was approximately \$8, while the average bill for a landline connection is \$53.

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WebLink requests that the Commission retain the 12% paging safe harbor and the \$0.07 per pager USF assessment. If there are any questions regarding this matter, please direct them to this office.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Audrey P. Rasmussen". The signature is fluid and cursive, with the first name "Audrey" being more prominent.

Audrey P. Rasmussen
Counsel for WebLink Wireless, Inc.

APR:gln

cc: Chairman M. Powell
Commissioner K. Abernathy
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